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**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR-5851-N-01]**

**Rental Assistance Demonstration (RAD) - Alternative Requirements or Waivers:  
Waiving and Specifying Alternative Requirements for the 20 Percent Portfolio Cap on  
Project-Basing and Certain Tenant Protection and Participation Provisions for the San  
Francisco Housing Authority's RAD Projects**

**AGENCY:** Office of the Assistant Secretary for Public and Indian Housing, and Office of the Assistant Secretary for Housing – Federal Housing Commissioner, HUD.

**ACTION:** Notice.

**SUMMARY:** The RAD statute gives HUD authority to establish waivers and alternative requirements. Pursuant to this authority, HUD has waived, to date, the statutory 20 percent cap on project-basing of a PHA's tenant-based voucher funding for RAD-converted units. This notice advises that HUD is waiving for the San Francisco Housing Authority (SFHA), to a limited extent and subject to certain conditions, the 20 percent cap on project-basing and certain other provisions governing project-based assistance with respect to an identified portfolio that includes RAD funding. These waivers are in response to plans submitted by SFHA to address capital needs of the portfolio and preserve available affordable housing for the SFHA's jurisdiction. Without this waiver, SFHA states that its plan for improving its affordable housing portfolio with RAD would not be workable, and the conversion of units under RAD would not be effective for its purpose.

**DATES:** Effective Date: [INSERT DATE THAT IS 10 DAYS FOLLOWING THE DATE OF PUBLICATION IN THE FEDERAL REGISTER.]

**FOR FURTHER INFORMATION CONTACT:** Janet Golrick, Acting Director of the Office of Recapitalization, Office of Housing, Department of Housing and Urban Development, 451 7th

Street, SW, Washington, DC 20410-7000; telephone number 202-708-0001 (this is not a toll-free number). Hearing- and speech-impaired persons may access these numbers through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

### **Background and Action**

The RAD statute (Pub. L. 112-55, approved November 18, 2011) gives HUD authority to waive or specify alternative requirements for, among other things, section 8(o)(13) of the United States Housing Act of 1937 (the 1937 Act). In order to utilize this authority, the RAD statute requires HUD to publish by notice in the Federal Register any waiver or alternative requirement no later than 10 days before the effective date of such notice. This notice meets this publication requirement.

On July 2, 2013, notice 2012-32 Rev-1 (as corrected by the technical correction issued February 6, 2014) (“the revised notice”) superseded PIH Notice 2012-32. The revised notice is found at the following URL:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/publications/notices/2012](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/publications/notices/2012).

The revised notice at section 1.9, paragraph F, entitled “Portfolio Awards,” also sets forth a new option of a “portfolio award,” which allows PHAs to apply for RAD conversions affecting a group of projects. This type of award is meant to enable PHAs to create a comprehensive revitalization plan for multiple buildings they oversee. SFHA has submitted an application for a portfolio award under RAD.

The revised notice contains a waiver of 8(o)(13)(B) and other sections of the 1937 Act. Section 1.6, “Special Provisions Affecting Conversions to PBVs,” at paragraph A.1, allows a project that converts from one form of rental assistance to another under RAD to exceed the 20

percent project-basing cap. Section 1.6.A.2 allows sets alternate requirements for the percent limitation on the number of units in a project that may receive PBV assistance. Section 1.6.C. sets forth alternative requirements for resident rights and participation. (Collectively, the waivers and alternative requirements set forth in Sections 1.6.A.1, 1.6.A.2 and 1.6.C are referred to herein as the “Applicable Alternative Tenanting Requirements.”)

As part of its application for a portfolio award, SFHA’s comprehensive revitalization planning contemplates not only the conversion of assistance pursuant to RAD, but also to supplement such converted projects by project-basing additional voucher assistance. SFHA has submitted a waiver request that seeks permission to apply the Applicable Alternative Tenanting Requirements to all units in those projects with assistance converted under RAD. HUD has granted that request, subject to certain conditions which SFHA has agreed to carry out.

Dated: February 13, 2015.

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Jemine A. Bryon, Acting Assistant Secretary for  
Public and Indian Housing.

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Biniam T. Gebre, Acting Assistant Secretary for  
Housing – Federal Housing Commissioner.